



**Record Profit due to elevated gold price: production down, costs up**

<b>Company/ASX Code</b>	Regis Resources Limited (RRL)
<b>AGM date</b>	Wednesday 25 November 2020
<b>Time and location</b>	10am
<b>Registry</b>	Computershare
<b>Webcast</b>	Yes, Virtual Only AGM
<b>Poll or show of hands</b>	Poll on all items
<b>Monitor</b>	Bob Kelliher
<b>Pre AGM Meeting?</b>	Yes, with Chair James Mactier and Company Secretary Jon Latto

Please note any potential conflict as follows: The individual (or associates) involved in the preparation of this voting intention has no shareholding in this company.

<b>Item 1</b>	<b>Consideration of Financial Accounts</b>
<b>ASA Vote</b>	No vote required

**Summary of ASA Position**

**Financial performance**

Despite some disruptions from Covid-19, operational results were generally in line with the previous year. While costs were up by 5% and production down by 3%, the elevated Gold price produced a record profit. NPAT was up 23% to \$200m, and Earnings per share were up by 22%.

The dividend was maintained at 16 cents per share, the same amount for third year, despite increasing profits. While maintaining funds for upcoming capital developments is important, including for their McPhillamy's Gold Project in NSW, Regis will continue to review their dividend-payout ratio.

Guidance for 2021 includes Production increased to 355koz to 380koz (up from 352koz in FY20), and costs at \$1,230/oz to \$1,300/oz compared to \$1,246/oz in FY20.

**Governance and culture**

Mrs Lynda Burnett and Mr Russell Barwick were appointed to the Board and stand for re-election at the upcoming AGM. This brings the Board to six, with two female members, a welcome stabilisation from last year's departures.

## Summary

(As at FYE)	2020	2019	2018	2017	2016
NPAT (\$m)	199.5	163.1	174.2	138	112
UPAT (\$m)					
Share price (\$)	5.22	5.28	5.12	3.78	3.42
Dividend (cents)	16	16	16	15	13
TSR (%)	1.9	6.25	39.4	13.5	72.4
EPS (cents)	39.2	32.2	34.6	27.6	22.4
CEO total remuneration, statutory (\$m)	1.35	1.08*	1.9	1.88	1.12

\*The CEO tenure is from 15 October 2018 to 30 June 2019, and this salary includes a \$240,000 sign on bonus.

For 2020, the CEO's total remuneration was **14.7 times** the Australian Full time Adult Average Weekly Total Earnings (based on May 2020 data from the Australian Bureau of Statistics).

<b>Item 2, Resolution 1</b>	<b>Adoption of Remuneration Report</b>
<b>ASA Vote</b>	<b>For</b>

## Summary of ASA Position

CEO rem. Framework for FY2020	Target* \$m	% of Total	Max. Opportunity \$m	% of Total
Fixed Remuneration	0.79	48%	0.79	40%
STI - Cash	0.20	12%	0.28	14%
STI - Equity	0.20	12%	0.28	14%
LTI	0.45	28%	0.64	32%
Total	1.64	100.0%	1.99	100%

The amounts in the table above are the amounts that are envisaged in the design of the remuneration plan.

\*Target remuneration is sometimes called budgeted remuneration and is what the company expects to award the CEO in an ordinary year, with deferred amounts subject to hurdles in subsequent years before vesting. This table assumes 70% of Maximum for Target, similar to the outcome of STI in FY20.

The actual achievement of the Short Term Incentive award in 2020 was an overall 70% of maximum, while due to last year's staffing resignations, no Long Term Incentives vested. The CEO's STI has been increased from 70% of Fixed Remuneration to 100% of Fixed Remuneration.

EBITDA to budget was scored at 100% (for 20% of award), Production to guidance was scored at 0, due to reduced production, safety and environment was scored at 75% (for 15% of award), growth targets were scored at 100% for McPhillamy's progress, 80% for Garden Well Underground, and 70% for Individual KPIs, for the remaining 35% of the award.

LTI awards granted in 2019 will be vested after 3 years on 30 June 2021, and LTI grants in 2020 will vest on 30 June 2022. For the FY21 LTI, the standard 50% at the 50<sup>th</sup> percentile and 100% at 75<sup>th</sup> percentile applies for Relative Total Shareholder Return, the same as other comparable companies, and increased from the 100% at the 90<sup>th</sup> percentile in FY20, for 50% of the award. The revised comparable peer group is an improvement on last year's peer group.

Life of Mine Reserves Growth, for 25% of the award, is a marked improvement on previous years. The measure is simply 2023 Reserves compared to 2020 Reserves, so only Reserve growth after replacing production is counted for an award. McPhillamy's progress compared to development milestones, for the remaining 25% of the award is an opaque measure, only subject to Board discretion.

With improvements to the LTI measures and reasonable levels of remuneration, and the maintaining the no-fatality gateway for both STI and LTI in 2020, we support this resolution.

<b>Item 3, Resolution 2</b>	<b>Re-election of Director – Lynda Burnett</b>
<b>ASA Vote</b>	<b>For</b>

#### **Summary of ASA Position**

Lynda Burnett was appointed to the Board on 27 November 2019. She is a qualified geologist with over 30 years' experience in the mining industry. While she has no other directorships, she is currently Chair of the Strategic Advisory Board of the Centre for Exploration Targeting, at the University of WA. As the second female director, Lynda is a welcome addition to the Board, and brings the female proportion of the six person Board to a creditable 33%. Lynda holds no shares as at the date of the Annual Report but should acquire shares in line with other directors. There is no company policy on Directors shareholdings.

<b>Item 4, Resolution 3</b>	<b>Re-election of Director – Russell Barwick</b>
<b>ASA Vote</b>	<b>For</b>

#### **Summary of ASA Position**

Russell was appointed to the Board on 11 March 2020. He is a qualified Mining Engineer and obviously provides valuable technical expertise to the Board. He is also Chair of Red Metal Ltd, and Director of Mount Gibson Iron Ltd, Lithium Power International Ltd and Minera Salar Blanco S.A.

(Chile). Accordingly, his workload consists of several other directorships and he should not take on additional directorships. Russell holds no shares as at the date of the Annual Report but should acquire shares in line with other directors.

<b>Item 5, Resolution 4</b>	<b>Re-election of Director – James Mactier</b>
<b>ASA Vote</b>	<b>For</b>

#### **Summary of ASA Position**

James joined the Board on 23 February 2016 and is currently Chair. He has no other directorships. He spent 15 years at Macquarie Bank before joining the Board. He is currently a member of the Resource Capital Funds Managing Partner Advisory Board, a member of the Presbyterian Ladies College Council, a member of the Presbyterian Ladies College Council Foundation, a member of the Australian Miners & Prospectors Hall of Fame Foundation and a member of the University of WA Business School’s Ambassadorial Council (WA Chapter). James holds a satisfactory 25,000 shares as at the date of the Annual Report.

<b>Item 6, Resolution 5</b>	<b>Approval of grant of Long Term Performance rights to Jim Beyer</b>
<b>ASA Vote</b>	<b>Against</b>

#### **Summary of ASA Position**

The significant change to FY21 LTI awards is the removal of the “no fatality” gateway (which remains for STI awards). This gateway has been in place previously, and its removal indicates a reduction in Regis’ commitment to this critical safety item. The aim of everyone should always be for no fatalities (refer to current Bill for the addition of “Industrial Manslaughter” to the Criminal Code, currently in the WA Parliament). There appears to be no real reason to remove this gateway, as a no-fatality record would not affect the LTI award, even if other comparable companies do not have this gateway.

This resolution calculates the grant of Performance Rights based on the maximum of 100% of fixed Remuneration, up from 80% previously. We agree with calculated amount of Performance Rights for testing in 3 years (154,353). We agree with the revised measure of Reserves Growth, with 2023 Reserves compared to 2020 Reserves. Awards start at 0% for no growth up to 100% for 20% growth. ASA opposes this resolution due to the totally unnecessary removal of the “no fatality gateway.”

<b>Item 7, Resolution 6</b>	<b>Approval of grant of Short Term Performance rights to Jim Beyer</b>
<b>ASA Vote</b>	<b>For</b>

### Summary of ASA Position

This resolution calculates the grant of Performance Rights based on 50% of the \$386,853 STI award to 30 June 2020. We agree with calculated amount of Performance Rights for testing (37,816).

The revised target KPIs for the CEO in 2021 are: a 20% reduction in safety statistics (TRIFR and LTI) [20%], AISC to guidance [15%], Production to guidance [15%], Environmental targets [10%], and Growth targets (McPhillamy site work, exploration success, M&A, new underground project [30%], Companywide leadership and safety culture improvements [10%].

The first three KPIs are published figures, but the next three are all opaque internal measures. Shareholders will again have to rely on the Board's fair assessment of these items. STI awards are 50% in cash and 50% in Performance Rights, with vesting 12 months after year end. This element accords with ASA policy and on balance we support this resolution.

<b>Item 8, Resolution 7</b>	<b>Adoption of New Constitution</b>
<b>ASA Vote</b>	<b>For</b>

### Summary of ASA Position

This new constitution provides only the required updates for current ASX and company law requirements and is a new constitution instead of making numerous updates to the current one.

<b>Item 9, Resolution 8</b>	<b>Adoption of Proportional Takeover Provisions</b>
<b>ASA Vote</b>	<b>For</b>

### Summary of ASA Position

This provision is designed to prevent a takeover offer to only bid for a proportion of a shareholder's interest. ASA supports this resolution as we prefer only full takeovers, so that shareholders are not left with a minority interest with a controlling shareholder.

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